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South Africa - Republic of

Fresh Deciduous Fruit Annual

South African Deciduous fruit production forecasted to increase in the 2014/15 MY

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Report Highlights:

Posts forecast that the production of apples (1% increase to 910,000 MT), pears (3% increase to 390,000 MT) and grapes (7% increase to 300,000MT) will bounce back in the 2014/15 MY based on normal growing conditions following hail and rainfall damage at the end of December 2013. Post forecasts that the increase in apple, pear and grape production, and the weak Rand/US\$ exchange rate, will also result in increases in apple exports (3% increase to 390,000MT), pears exports (2% to 225,000MT) and grape exports (7% to 278,000MT) in the 2014/15 MY.

Commodities:

Apples, Fresh

Pears, Fresh

Grapes, Table, Fresh

Executive Summary

Post forecasts that the production of grapes will increase by seven percent to 300,000 MT in the 2014/15 MY based on normal growing conditions and increases in area planted. The 2014/15 MY production of apples and pears are forecasted to marginally increase by one percent and three percent, to 910,000 MT and 390,000 MT, respectively. Post estimates that the 2013/14 MY production of apples and table grapes will decrease by one percent to 900,000 MT and by seven percent to 280,384 MT, respectively, as a result of hail and rainfall damage experienced at the end of 2013.

Exceptionally good weather and growing conditions were experienced in 2013, which resulted in record production of apples, pears and grapes in the 2012/13 MY. Apple production was 906,827 MT, pears production was 379,242 MT and table grapes production was 302,338 MT in the 2012/13 MY.

Post forecasts that the impact of the increase in apple, pears and grape production, and the prevailing weak Rand/US\$ exchange rate will result in an increase in apple exports (3% increase to 390,000MT), pears exports (2% to 225,000MT) and grape exports (7% to 278,000MT) in the 2014/15 MY. These increases follow the low export volumes experienced in the 2013/14 MY as a result of unseasonal hail and rainfall damage. South Africa is a net exporter of deciduous fruits, and only imports small quantities of apples, pears and grapes to fulfill a niche market or to satisfy domestic demand when supply is limited.

Europe still remains the traditional market for South African apples (38 percent of total 2013 MY exports), pears (70 percent of total 2013 MY exports) and grapes (79 percent of total 2013 MY exports). According to industry sources, there is a growing focus to diversify South African exports to other markets especially, Africa, Middle East and Asian markets, which are believed to have less stringent import standards than Europe.

Exchange Rate

US \$ = R10.90 – October, 28, 2014

Sources

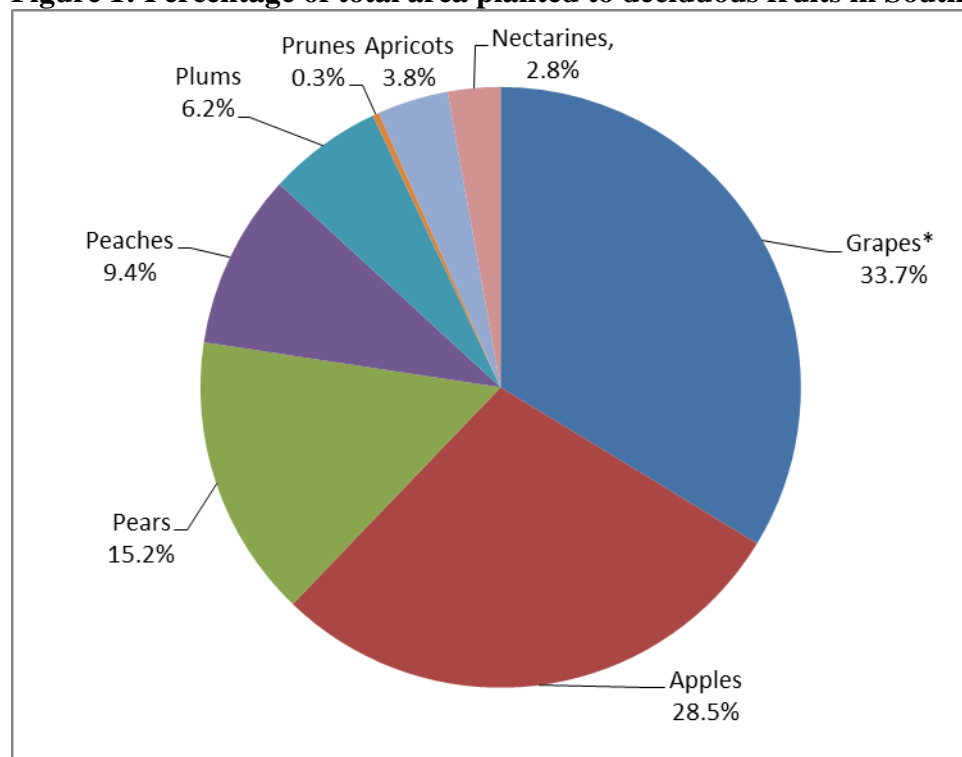
Name	Website
Hortgro	http://www.hortgro.co.za
South African Table Grapes Industry (SAGTI)	http://www.satgi.co.za/
Fresh Fruit Portal	http://www.freshfruitportal.com/

Brief background of the South African Deciduous fruit industry

Deciduous fruit is the largest sub-sector when measured in terms of hectares under fruit plantation in South Africa. Approximately 79,037 hectares (ha) was planted to deciduous fruits in South Africa in the 2012/13 MY. Figure 1 shows that grapes (Fresh and dried), apples and pears have the largest area planted and accounted for approximately 78 percent of the total area planted with deciduous fruit in the 2012/13 MY.

The Western Cape is the largest and traditional producer of deciduous fruits in South Africa, however, in the past two decades; the Northern and Eastern Cape, and Limpopo provinces have become increasingly large producers of deciduous fruit. South Africa is ranked the fourth largest apple producer and second largest pear producer in the Southern Hemisphere.

Figure 1: Percentage of total area planted to deciduous fruits in South Africa



Source: HORTGRO

Commodities:

Apples, Fresh

Production

Post forecasts that South Africa's apple production will increase by one percent to 910,000MT in the 2014/15 MY based on good growing conditions, an increase in area planted and as more trees are reaching full bearing potential.

The South African apple production estimate for the 2013/14 MY will remain at 900,000 MT based on good weather growing conditions. Post revised upwards the South Africa 2012/13 MY apple production

to 906,827 MT based on updated industry statistics. The 2012/13 MY apple production at 906,827 MT was the highest recorded in South Africa since the 2002/03 MY.

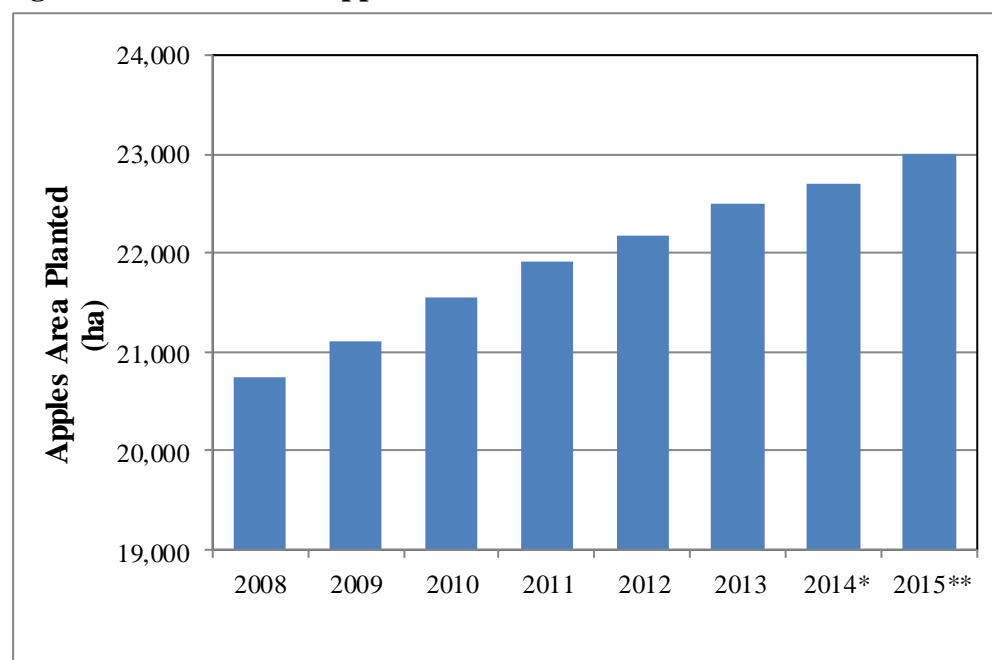
Apples are grown in several provinces around South Africa, but the Western Cape is the heartland of deciduous fruit production, accounting for approximately 90 percent of the total apple production and exports. Western Cape (WC) is a winter rainfall area and has a climate similar to the Mediterranean, which is favorable for apple production. The most important apple growing regions are Ceres, Groenland, Langkloof East, Villiersdorp, all located in the WC.

Harvest for South African apples typically begins at the end of January and runs through to June, with peak harvest times falling between February and April. Since 2008, Golden Delicious cultivar has been the leading favorite and most planted cultivar ahead of the Granny Smith cultivar which was previously favored by producers. Other cultivars which have been growing steadily are Gala, Pink Lady and Fuji.

Area Planted

Post forecasts that the area planted to apples will increase by one percent to 23,000 hectares (ha) in the 2014/15 MY following the growth trend in the past eight years. Post estimates that the area planted with apples in 2013/14 MY will be 22,700 ha. Post has updated the 2012/13 MY area planted to 22,501 ha based on the updated industry data. **Figure 2** shows that the area planted has increased steadily since 2008.

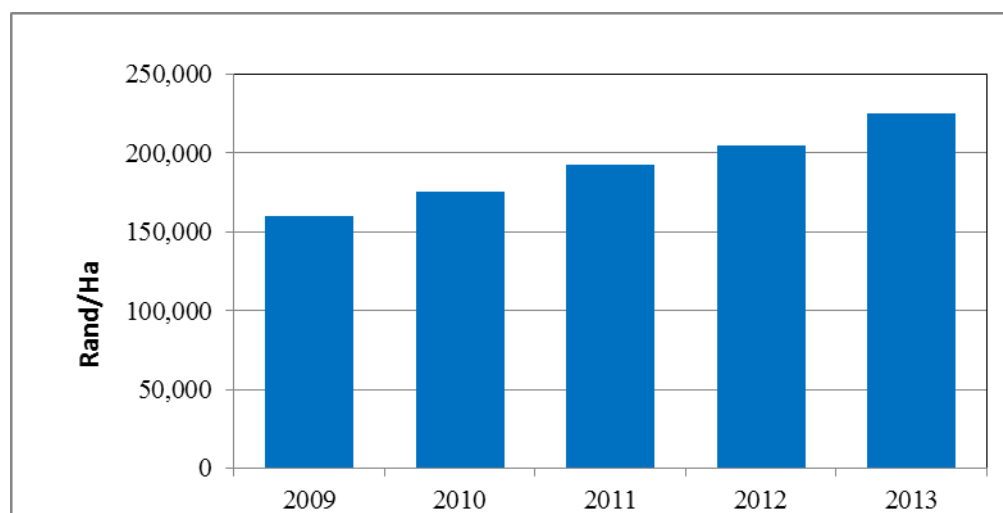
Figure 2: South Africa Apple Area Planted



*Estimate, **Forecast

Source: HORTGRO

Figure 3: South Africa Apple Orchard Cost of Establishment



Source: HORTGRO

Figure 3 shows that the cost of establishing an orchard has been rising, in some cases, above the general price inflation rate. In the 2012/13 MY, the cost of establishing an apple orchard was R225,043/ha (US\$20,646/ha), an increase of ten percent from the 2011/12 MY cost of R204,607/ha (US\$18,771/ha) against a general price inflation of 5.7 percent in the year 2013. The rising orchard establishment costs have been cited as one of the reasons for slow tree replacement. Most apple trees are ageing; about 33 percent are over 25 years old, mostly being the Golden Delicious, Granny Smith and Topred cultivar. However, for sustainable and consistent supply the industry has managed to maintain the replacement stock (0 – 3 years) at above 10 percent as per best practice. Industry reported that the number of apple trees aged between zero and three years in the 2013 MY was eleven percent. Apple production costs have also increased. In the 2012/13 MY, the cost of apple production was R264,655/ha (US\$24,280/ha), an increase of twenty percent from the 2011/12 MY cost of R220,347/ha (US\$20,215/ha). Key drivers of the increased costs were labor and fuel.

Consumption

Post forecasts that the 2014/15 MY domestic consumption of apples will be flat at 215,000 MT based on available production supply. Post estimates the 2013/14 MY domestic consumption of apples at 215,000 MT based on available supply, and fruit damage by hail being diverted for processing instead of domestic consumption. Post revised downwards the 2012/13 MY domestic consumption at 203,173 MT, as reported by industry statistics and is based on a higher than expected crop being exported and less tonnage available to the local market.

Over the years, growth in the domestic market has largely been driven by the increasing preference for fresh fruit over processed fruit from a growing middle class. Apples are popular in South Africa and widely consumed throughout the year and they form part of the national food basket of goods which are monitored by the South African National Agricultural Marketing Council (NAMC) to track food price inflation. The Johannesburg Fresh Produce Market, a fresh produce market with an annual turnover of R2 billion (US\$183 million), reports that apples rank among the top five highly consumed fruits in South Africa.

Trade

Exports

Post forecasts that South African apple exports will increase by three percent to 390,000 MT in the 2014/15 MY based on the available production supply and the prevailing weak exchange rate, following the low apple exports at 380,000 MT in the 2013/14 MY due to unseasonal hail and rainfall damage in November 2013 and slow sales in the European market. In 2014, Europe had a higher residual stock, with a lot of Northern Hemisphere fruit such as Royal Galas from France and Italy.

Post revised upwards the 2012/13 MY apple exports to 459,327 MT based on updated Global Trade Atlas (GTA) data. The EU, which is the world's second largest apple importer, is SA's traditional market with UK being the biggest individual market. South Africa is a counter-seasonal producer, and is the Southern Hemisphere's most convenient source for EU importers based on its proximity to the EU, and historical trading patterns, compared to other deciduous exporting countries like New Zealand, Chile, Brazil and Argentina. South Africa has been focusing on diversifying its export markets with expected growth to African markets such as Nigeria, Angola, Kenya, Zambia and Cameroon, and to Asia and the Middle East.

Table 1: South African Fresh Apple exports

South Africa Export Statistics
Commodity: 080810, Apples, Fresh

Year Ending: December				
Partner Country	Unit	Quantity		
		2012	2013	2014*
World	T	388,728	459,327	291,748
United Kingdom	T	98,050	107,541	60,942
Malaysia	T	41,043	46,515	32,936
Netherlands	T	16,438	33,371	12,008
Nigeria	T	7,857	32,317	29,132
United Arab Emirates	T	19,263	23,947	15,746
Angola	T	21,929	19,789	10,217
Benin	T	29,771	14,599	4,257
Singapore	T	11,575	12,549	9,454
Zimbabwe	T	13,449	12,154	7,141
Ghana	T	13,551	11,250	4,246
Kenya	T	7,881	10,384	6,290
Zambia	T	8,195	10,072	7,771
Senegal	T	8,779	9,692	5,540
France	T	4,981	8,587	3,882
Bangladesh	T	10,789	8,369	9,673
Russia	T	7,432	7,195	3,662
Cameroon	T	6,579	6,835	2,704
Saudi Arabia	T	5,065	6,324	4,090
Taiwan	T	3,374	6,212	4,423
Mauritius	T	5,314	5,841	3,341
Germany	T	2,253	5,228	3,130
Mozambique	T	2,850	5,089	3,868
Togo	T	2,481	4,959	1,597
Cote d Ivoire	T	3,228	3,678	2,552
Oman	T	3,375	3,555	3,509
Ireland	T	3,810	3,190	1,316
Canada	T	2,465	3,146	316
Gabon	T	2,075	2,995	2,112
Hong Kong	T	2,711	2,536	1,372
Namibia	T	275	1,986	7,002
Other	T	21,890	29,422	27,519

Source: GTA

***01/01/2014 to 08/30/2014**

Imports

South Africa is a net exporter of apples, and only imports apples to fulfill a niche market or satisfy domestic demand when supply is limited. Post forecasts that South African apple imports will remain flat at 100 MT in the 2014/15 MY and 2013/14 MY. Imports from the United States are believed to be driven by some local consumers becoming more sophisticated and global in their buying patterns as United States apples are larger in size and as a result of the United States and South Africa agreement on apple imports. Under the agreement, apples from the Pacific Northwest may be exported to South Africa under the terms of the “Protocol of Phytosanitary Requirements for the Export of Apple Fruit from the United States of America, Pacific Northwest States of Washington, Idaho and Oregon (PNW) to South Africa”. This protocol may be obtained from the Northwest Fruit Exporters (509/576-8004) or from the South African Department of Agriculture, Fisheries and Forests, on the following link:

<http://www.daff.gov.za/daffweb3/Branches/Agricultural-Production-Health-Food-Safety/Plant-Health/Import-into-SA/Import-protocols>.

Table 2: South African Fresh Apple imports

South Africa Import Statistics				
Commodity: 080810, Apples, Fresh				
Year Ending: December				
Partner Country	Unit	Quantity		
		2012	2013	2014*
World	T	0	124	21
United States	T	0	123	21
Botswana	T	0	1	0

Source: GTA

***01/01/2014 to 08/30/2014**

Table 3: Tariff Rates, Fresh Apples

Heading / Subheading	CD	Article Description	Statistical Unit	Rate of Duty			
				General	EU	EFTA	SADC
0808.10	9	Apples, fresh	kg	4 %	Free	4 %	Free

Source: SARS – Schedule 1 - Customs and Excise Tariffs

Table 4: PSD - Apples, Fresh

Apples, Fresh South Africa	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Jan 2013		Market Year Begin: Jan 2014		Market Year Begin: Jan 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post

Area Planted	22,600	22,501	22,700	22,700		23,000
Area Harvested	22,600	20,034	20,400	20,400		20,500
Bearing Trees	20,600	24,342	23,900	24,400		24,500
Non-Bearing Trees	2,000	2,998	3,700	3,100		3,200
Total Trees	22,600	27,340	27,600	27,500		27,700
Commercial Production	882,400	906,827	900,000	900,000		910,000
Non-Comm. Production	0	0	0	0		0
Production	882,400	906,827	900,000	900,000		910,000
Imports	100	124	200	100		100
Total Supply	882,500	906,951	900,200	900,100		910,100
Fresh Dom. Consumption	198,432	203,173	209,906	215,000		215,000
Exports	459,327	459,327	380,294	380,000		400,000
For Processing	224,741	244,451	310,000	305,100		295,100
Withdrawal From Market	0	0	0	0		0
Total Distribution	882,500	906,951	900,200	900,100		910,100
HA, 1000 TREES, MT						

Commodities:

Pears, Fresh

Production

Post forecasts that the South African pears production will increase by three percent to 390,000MT in the 2014/15 MY based on good growing conditions, an increase in area planted and as more trees are reaching full bearing potential. Post revised downwards the 2013/14 MY and 2012/13 MY pear production to 380,000 MT and 379,242 MT based on the latest industry statistics.

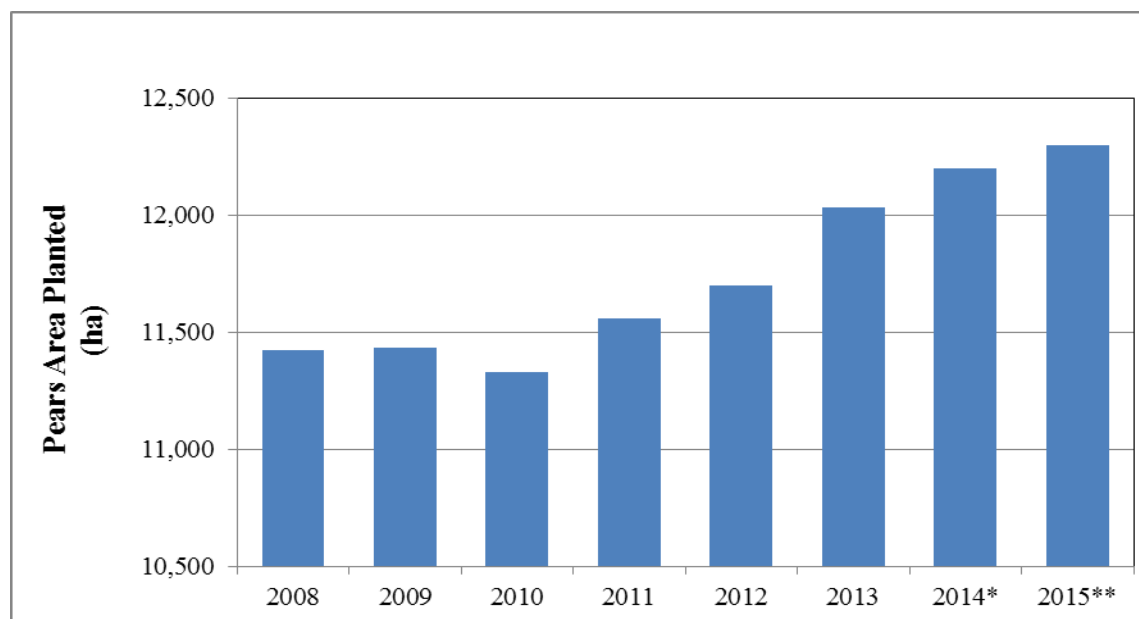
The major growing areas for pears in South Africa are Ceres, Groenland, Wolseley/Tulbagh (all in the Western Cape) and Langkloof East in the Eastern Cape. Like apples, pears grow well in areas that do not have very high temperatures, hence the Western Cape is the heartland of pear production, accounting for at least 79 percent of the total production.

Pears are normally harvested from late December to early January. Packham's Triumph is the most popular variety planted, followed by Forelle, William Bon Chretien, and Abate Fetel.

Area Planted

Post forecasts that the area planted with pears will increase by one percent to 12,300 ha in the 2014/15 MY. Post estimates that the area planted in the 2013/14 MY will be 12,200 ha, and the 2012/13 MY area planted at 12,034 based on the industry tree census statistics. **Figure 4** shows that the area planted with pears has increased steadily since 2010.

Figure 4: South Africa Pears Area Planted



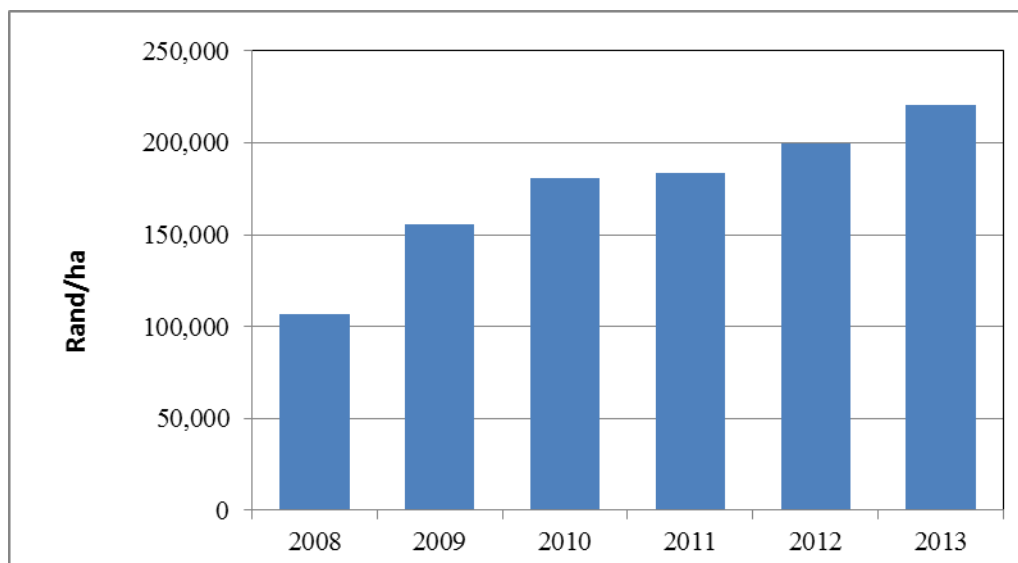
*Estimate, **Forecast

Source: HORTGRO

Figure 5 shows that the cost of establishing an orchard has been rising, in some cases, above the general price inflation rate. In the 2012/13 MY, the cost of establishing a pears orchard was R220,419/ha (US\$20,222/ha), an increase of ten percent from the 2011/12 MY cost of R199,540/ha (US\$18,306/ha), against a general price inflation of 5.7 percent in 2013. The rising establishment costs have been cited as one of the reasons for slow tree replacement. Most pear trees are ageing; about twenty six percent are over twenty five years old, and thirty percent between 16 – 25 years old. Nonbearing trees between the ages of 0 – 3 years were fourteen percent in the 2012/13 MY, which is according to the best practice of maintaining the replacement stock (0 – 3 years) at above ten percent for sustainable and consistent supply.

Pears production cost have also increased. In the 2012/13 MY, the cost of pear production was R226,612/ha (US\$20,790/ha), an increase of eighteen percent from the 2011/12 MY cost of R191,707/ha (US\$17,588/ha). Key drivers of the increased costs were labor and fuel.

Figure 5: South Africa Pears Orchard Cost of Establishment



Source: HORTGRO

Consumption

Post forecasts that the domestic consumption of pears will remain flat at 50,000 MT in the 2014/15 MY and 2013/14 based on available production supply, slow economic growth in South Africa.

Post revised downwards the 2012/13 MY domestic consumption to 49,324MT, based on updated industry industry statistics and a higher than expected crop being exported and less tonnage available to the local market.

Local consumption of pears has been fluctuating on a yearly basis between 45,333MT to 67,379 MT, between the 2002/03 MY and 2012/13 MY. Domestic consumption of pears has decreased from the peak of 67,379 MT in 2010/11 MY to 49,324 in the 2012/13 MY. The decrease in the domestic consumption of pears is because apples and apples are seen as substitute fruits by domestic consumers, and pears are priced higher than apples in the local market.

Trade

Exports

Post forecasts that the South African pear exports will increase by two percent to 225,000MT in the 2014/15 MY, based on the increase in pear production and the prevailing weak Rand/US\$ exchange rate. The 2013/14 MY pears exports are estimated to increase by nine percent to 220,000 MT based on the year to date exports up to the end August 2014 which are already close to the 2012/13 MY exports of 202,431 MT. The EU, is SA`s traditional market with Netherlands being the biggest individual market followed by the UK. The Middle East has shown strong growth in exports over the years.

Table 5: South African Fresh Pears exports

South Africa Export Statistics
Commodity: 080830, Pears, Fresh

Year Ending: December				
Partner Country	Unit	Quantity		
		2012	2013	2014*
World	T	181,928	202,431	198,115
Netherlands	T	50,520	64,685	55,038
United Kingdom	T	17,785	20,258	17,541
United Arab Emirates	T	15,457	17,665	20,917
Russia	T	16,180	15,486	13,113
Germany	T	7,770	10,794	10,457
France	T	6,575	8,705	7,486
Italy	T	5,241	7,032	8,293
Malaysia	T	8,020	5,714	7,552
Portugal	T	3,816	5,395	4,409
Hong Kong	T	5,137	5,311	7,356
Canada	T	5,532	4,361	3,822
Indonesia	T	4,183	3,741	3,934
Singapore	T	4,196	3,600	3,914
Saudi Arabia	T	3,159	2,812	4,444
India	T	3,822	2,807	4,381
Ireland	T	1,850	2,320	1,077
Angola	T	2,532	2,027	1,529
Spain	T	676	1,954	1,747
Oman	T	2,445	1,628	1,883
Mauritius	T	1,740	1,382	1,351
Namibia	T	12	78	1,100
Vietnam	T	240	300	1,017
Greece	T	517	943	1,312
Nigeria	T	306	906	1,913
Other	T	14,217	12,527	12,529

Source: GTA

***01/01/2014 to 08/30/2014**

Imports

As the second largest pear producer behind Argentina in the Southern Hemisphere, South Africa only imports small quantities of pears, with China as the leading source of Ya pears (white colored pears). Imports from China began after a 2007 agreement that allowed imports of Chinese pears into the South Africa market. The South Africa and Chinese agreement is available on the South African Department of Agriculture, Fisheries and Forestry on the following website link:

http://www.nda.agric.za/doaDev/sideMenu/plantHealth/docs/protocol_pear_China.pdf.

Table 6: South African Fresh Pears imports

South Africa Import Statistics				
Commodity: 080830, Pears, Fresh				
Year Ending: December				
Partner Country	Unit	Quantity		
		2012	2013	2014*
World	T	245	64	0
China	T	245	64	0

Source: GTA

*01/01/2014 to 08/30/2014

Table 7: Tariff Rates, Fresh Pears

Heading / Subheading	CD	Article Description	Statistical Unit	Rate of Duty			
				General	EU	EFTA	SADC
0808.30	8	Pears, fresh	kg	4 percent	Free	4 percent	Free

Source: SARS – Schedule 1 - Customs and Excise Tariffs

Table 8: PSD - Pears, Fresh

Pears, Fresh South Africa	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Jan 2013		Market Year Begin: Jan 2014		Market Year Begin: Jan 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	12,000	12,034	12,200	12,200		12,300
Area Harvested	11,000	10,735	10,900	10,900		11,000
Bearing Trees	11,000	13,321	13,500	13,500		13,600
Non-Bearing Trees	1,000	1,916	1,940	1,940		2,000
Total Trees	12,000	15,237	15,440	15,440		15,600
Commercial Production	391,950	379,242	400,000	380,000		390,000
Non-Comm. Production	0	0	0	0		0
Production	391,950	379,242	400,000	380,000		390,000
Imports	100	64	0	100		100
Total Supply	392,050	379,306	400,000	380,100		390,100
Fresh Dom. Consumption	49,350	49,324	40,000	50,000		50,000
Exports	202,200	202,431	200,000	220,000		225,000
For Processing	140,500	127,551	160,000	110,100		115,100
Withdrawal From Market	0		0			
Total Distribution	392,050	379,306	400,000	380,100		390,100

HA, 1000 TREES, MT

Commodities:

Table grapes, Fresh

Production

Post forecasts that the South African table grape production will increase by seven percent to 300,000MT in the 2014/15 MY based on normal growing conditions and the increase in area harvested as more vines reach the fruit bearing maturity.

Post revised downwards the South Africa 2013/14 MY grape production to 280,384 MT as reported by industry statistics. The low 2013/14 MY table grape production was as a result of unseasonal rainfall and hail damage. This revision represents a seven percent decrease in table grape production in the 2013/14 MY when compared to the 2012/13 MY peak production of 302,338 MT. The 2012/13 MY grape production at 302,338 MT was the highest recorded since 2001 MY as a result of excellent growing conditions in 2013.

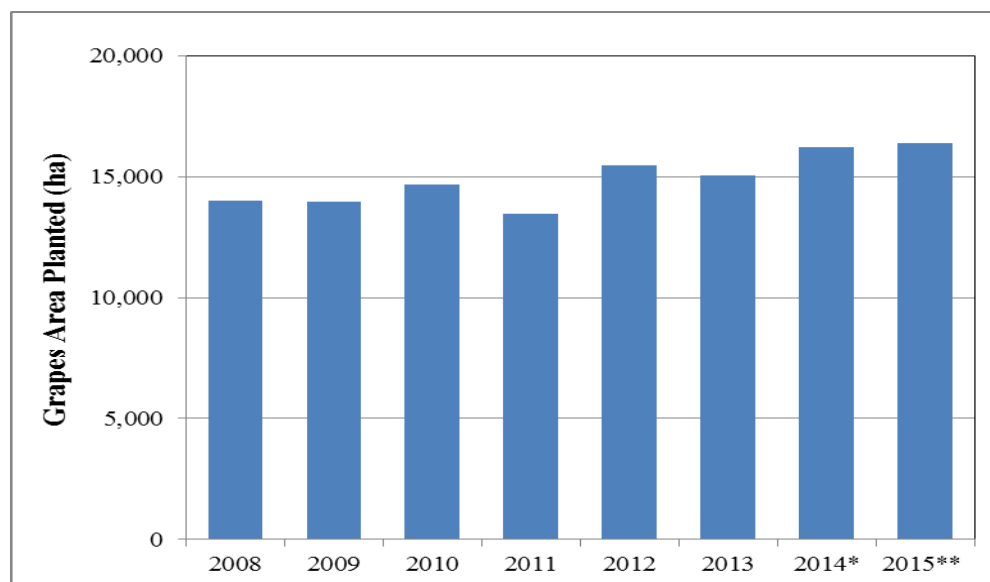
The major growing areas for grapes are the Berg River and Hex River in the Western Cape Province; and the Olifants River and Orange River in the Northern Cape Province. Grapes are normally harvested from October to May. Harvest starts in week 43 in the Northern Cape Region followed by Orange River region. Hex River valley is the last region for table grapes harvesting.

The leading varieties of South African Table Grapes are Crimson Seedless, Thomson Seedless, Prime and Flame. The cultivar profile in South Africa has changed in recent years, seeded cultivars are declining on a yearly basis as consumers prefer seedless grapes and production of black and red seedless varieties has increased. The popularity of seedless cultivars stems from characteristics such as large berry size (with elongated or oval berry shapes), favorable texture (crunchiness), and good eating qualities.

Area Planted

Post forecasts that the area planted to table grapes will increase by one percent to 16,400 ha in the 2014/15 MY. The 2014/15 MY area harvested is forecasted to increase by a larger margin as more vines reach the fruit bearing maturity, following the flood and hail damage in the 2013/14 MY. Post estimates that the area planted in 2013/14 MY will be 16,229 ha based on industry statistics, an increase of eight percent when compared to the 2012/13 MY area planted of 15,064 ha. However, the 2013/14MY area harvested was much lower than the 2012/13MY area harvested as a result of flood and hail damage. **Figure 6** shows that the area planted to grapes has been increasing since 2008.

Figure 6: South Africa Grapes Area Planted



*Estimate, **Forecast

Source: SAGTI

Consumption

Post forecasts that the 2014/15 MY domestic consumption will increase by eight percent to 27,000 MT based on the increase in production. Post revised the 2013/14 MY domestic consumption estimate downwards to 25,076 MT, as reported by industry statistics. This revision represents a nine percent decrease from the 2012/13 MY domestic consumption of 27,420 MT.

The supply and domestic consumption of grapes in South Africa is dependent on the export market. Grapes that cannot be sold on the export market, including grapes that do not meet the export standards and quality are diverted to the domestic market. Grapes are mostly consumed by the middle and upper class population in South Africa.

Trade

Exports

Post forecasts that the South African table grapes exports will increase by seven percent to 278,000 MT in the 2014/15 MY based on the increase in production and the prevailing weak Rand/US\$ exchange rate. Post estimates that the South African table grapes exports will be 259,918 MT in the 2013/14 MY, based on decreased production as a result of flooding and hail damage. Post revised the 2012/13 MY exports to 279,482 MT based on updated GTA data.

The EU is the leading historical export market for South African grapes, accounting for approximately 79 percent of the 2013 MY table grapes exports. South Africa benefits from a shorter shipping distance than other Southern Hemisphere competitors, strong demand for seedless varieties, and a free trade agreement with the EU. Exports have also benefitted from a weaker Rand against the Euro.

While South African table grapes enjoy strong sales to Europe, the industry is shifting its marketing focus from the traditional markets to Asia and Middle East markets, which appear to show strong

growth potential. The attractiveness of these markets is due to their less stringent non-tariff measures when compared to the EU.

Table 9: South African Fresh Table Grapes exports

South Africa Export Statistics				
Commodity: 080610, Grapes, Fresh				
Year Ending: December				
Partner Country	Unit	Quantity		
		2012	2013	2014
World	T	264,079	279,482	218,225
Netherlands	T	119,409	130,135	91,768
United Kingdom	T	47,447	57,570	45,820
Russia	T	10,211	13,594	8,601
United Arab Emirates	T	10,717	9,007	9,583
China	T	567	8,426	3,034
Malaysia	T	7,981	7,700	6,135
Hong Kong	T	19,545	7,260	7,743
Germany	T	8,303	7,083	7,228
Norway	T	4,749	4,287	4,752
Singapore	T	4,520	4,240	2,869
Saudi Arabia	T	4,543	3,535	2,956
Botswana	T	0	702	1,756
Vietnam	T	677	1,759	1,734
France	T	1,504	1,505	1,690
Zimbabwe	T	1,299	1,753	1,626
Sweden	T	347	471	1,603
Indonesia	T	2,281	366	1,516
Spain	T	666	1,154	1,512
Canada	T	886	1,726	1,354
Italy	T	1,351	952	1,112
Mauritius	T	1,167	900	1,103
Taiwan	T	1,859	1,514	556
Angola	T	1,114	1,016	680
Other	T	12,936	12,827	11,494

Source: GTA

***01/01/2014 to 08/30/2014**

Imports

South Africa is a net exporter of table grapes, and imports are mainly to make up for out of season demand, with Egypt and Spain being the major suppliers, and a small quantity being imported from Israel.

Table 10: South African Fresh Table Grapes imports

South Africa Import Statistics				
Commodity: 080610, Grapes, Fresh				
Year Ending: December				
Partner Country	Unit	Quantity		
		2012	2013	2014*
World	T	4,114	4,564	2,095
Spain	T	2,749	2,576	566
Egypt	T	1,187	1,630	1,416
Namibia	T	0	240	93
Israel	T	178	119	0
Zambia	T		0	17
United Kingdom	T	0	0	3

Source: GTA

*01/01/2014 to 08/30/2014

Table 11: Tariff Rates, Fresh Table Grapes

Heading / Subheading	CD	Article Description	Statistical Unit	Rate of Duty			
				General	EU	EFTA	SADC
0808.30	8	Grapes, fresh	kg	4 %	Free	4 %	Free

Source: SARS – Schedule 1 - Customs and Excise Tariffs

Table 12: PSD; Table Grapes, Fresh

Grapes, Fresh South Africa	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Jan 2013		Market Year Begin: Jan 2014		Market Year Begin: Jan 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	15,064	15,064	15,100	16,229		16,400
Area Harvested	13,114	13,114	13,200	12,500		13,200
Commercial Production	299,164	302,338	300,000	280,384		300,000
Non-Comm. Production	0	0	0	0		0
Production	299,164	302,338	300,000	280,384		300,000
Imports	4,300	4,564	4,000	4,610		5,000
Total Supply	303,464	306,902	304,000	284,994		305,000
Fresh Dom. Consumption	24,964	27,420	44,000	25,076		27,000
Exports	278,500	279,482	260,000	259,918		278,000
For Processing	0	0	0			0
Withdrawal From Market	0	0	0			0
Total Distribution	303,464	306,902	304,000	284,994		305,000

HA, MT

Policy

Table 13 provides the list of the regulations applicable to apples, pears and table grapes in South Africa. Exporters should also be aware that there is no law in South Africa governing an importer from requesting additional certifications over and above the legislation and regulations indicated in this section.

Table 13: List of key legislations and regulations

Policy	Link
Agriculture Product Standards Act No 119 of 1990	http://www.nda.agric.za/doaDev/sideMenu/Food%20Import%20&%20Export%20Standard/docs/Agric%20Product%20Standards%20Act%20No%20119%20of%201990.pdf
Agricultural Pests, Act, 36 of 1983	Agricultural Pests Amendment Act, 9 of 1992 http://www.nda.agric.za/doaDev/sideMenu/APIS/doc/Agricultural%20Pests%20Act.pdf
Foodstuffs, cosmetics and disinfectants Act 54 of 1972	http://www.nda.agric.za/vetweb/Legislation/Other%20acts/Act%20-%20Foodstuffs,%20Cosmetics%20and%20Disinfectants%20Act-54%20of%201972.pdf
Procedures for exporting to South Africa	http://www.nda.agric.za/doaDev/sideMenu/plantHealth/docs/importProcedure.pdf .
Maximum Residue Limits	http://www.daff.gov.za/daffweb3/Branches/Agricultural-Production-Health-Food-Safety/Food-Safety-Quality-Assurance/Maximum-Residue-Limits
Regulations relating to standards, grading, packing and marking	Apples http://www.nda.agric.za/doaDev/sideMenu/foodSafety/doc/localImportRegulations/Apples_regulations.pdf Pears http://www.nda.agric.za/doaDev/sideMenu/foodSafety/doc/localImportRegulations/Pears_regulations.pdf Grapes http://www.nda.agric.za/doaDev/sideMenu/foodSafety/doc/localImportRegulations/gg35395%20nn422%20APS%20table%20grapes.pdf

Source: South African Department of Agriculture Fisheries and Forestry (DAFF)

Prices

Table 14 below shows that the price of pears has always been higher than the price of apples in the local market, while in the export market, pears are priced higher than apples. The apple and pear prices in **Table 14** are the average prices (Rand/Ton) earned in the respective markets. The key driving forces of the increases in apple and pear export prices is the depreciation in the value of the rand and increasing world demand.

Table 14: Price of Apples and Pears

Season	APLES			PEARS		
	Local Market	Export Market	Processed Market	Local Market	Export Market	Processed Market
	(R/Ton)	(R/Ton)	(R/Ton)	(R/Ton)	(R/Ton)	(R/Ton)
2003/2004	2,109	3,794	336	1,977	4,059	495
2004/2005	2,310	3,638	341	2,128	3,861	491
2005/2006	2,580	3,791	373	2,304	3,786	573
2006/2007	2,799	4,363	447	2,664	4,680	715
2007/2008	3,618	5,419	1,071	3,222	5,704	973
2008/2009	3,568	5,834	786	3,452	6,336	1,035
2009/2010	3,656	5,881	534	3,454	6,144	810
2010/2011	4,326	6,210	737	3,856	6,612	896
2011/2012	4,470	6,531	1,146	4,191	6,803	1,115
2012/2013	4,845	8,658	1,137	4,650	8,835	1,316

Source: HORTGRO

Table 15 shows the prices of grapes in key markets achieved in the 2011/12 MY. The prices below reaffirm the strategy for South Africa to be export oriented, as the export prices are at least four times the domestic prices. The quality of fruit exported is also of higher quality than the fruit supplied to the local market.

Table 15: Price of Grapes, 2011/12 MY

	RAND PER MT MARKET COMPARISON				
Price Point	UK	EU	Far East	Middle East	Domestic
FOT Selling Price	R119.72	R117.05	R114.53	R105.37	R0.00
CIF Selling Price	R107.93	R105.65	R103.10	R94.58	R0.00
FOB Selling Price	R96.05	R93.80	R94.33	R82.85	R25.00
Net Amount Payable to Grower	R69.51	R67.73	R68.42	R57.76	R19.07

Source: SAGTI